

AMENDED IN ASSEMBLY AUGUST 9, 2010

AMENDED IN ASSEMBLY JUNE 30, 2009

AMENDED IN ASSEMBLY JUNE 16, 2009

AMENDED IN SENATE MAY 20, 2009

AMENDED IN SENATE APRIL 14, 2009

SENATE BILL

No. 156

Introduced by Senator Wright

February 12, 2009

An act to add Section 1879.1 to the Insurance Code, relating to insurance fraud.

LEGISLATIVE COUNSEL'S DIGEST

SB 156, as amended, Wright. Insurance: fraud prevention and detection.

Existing law generally provides for the prevention, detection, and investigation of insurance fraud. Existing law requires insurers to disclose to an authorized governmental agency information relative to incidents of workers' compensation fraud, as specified.

This bill would authorize the Department of Insurance to convene meetings with insurance companies to discuss specific information concerning suspected, anticipated, or completed acts of insurance fraud and would protect a person sharing information pursuant to that authorization from civil liability *for libel, slander, or any other relevant cause of action*, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) The California Department of Insurance regulates more than
4 123 billion dollars (\$123,000,000,000) of insurance business
5 annually. Workers' compensation business accounted for 11.5
6 billion dollars (\$11,500,000,000) of that business as of 2006.

7 (b) A report issued by the Department of Insurance Advisory
8 Task Force in May of 2008 estimated that insurance fraud of
9 regulated businesses amounts to costs of 15 billion dollars
10 (\$15,000,000,000) per year, costing each resident an average of
11 more than five hundred dollars (\$500) per year.

12 (c) Perpetrators often defraud more than one insurance program.
13 An effective antifraud effort requires greater cooperation,
14 coordination, and communication of impacted insurers, services,
15 and regulating agencies.

16 (d) It is the intent of the Legislature to enact statutory provisions
17 to provide law enforcement regulators and the regulated community
18 additional insurance antifraud tools and protections *while still*
19 *ensuring compliance with federal and state antitrust laws.*

20 SEC. 2. Section 1879.1 is added to the Insurance Code, to read:

21 1879.1. The commissioner or his or her designated deputy
22 commissioner may convene meetings with representatives of
23 insurance companies to discuss specific information concerning
24 suspected, anticipated, or completed acts of insurance fraud.
25 Information shared ~~during the course of~~ *at* those meetings regarding
26 specific suspected, anticipated, or completed acts of insurance
27 fraud, ~~in the absence of fraud or malice on the part of the~~
28 ~~representatives of insurance companies or the commissioner or~~
29 ~~designated deputy commissioner, shall not make a person subject~~
30 ~~to civil liability for libel, slander, or any other relevant cause of~~
31 ~~action.~~ *shall not make a person subject to civil liability for libel,*
32 *slander, or any other relevant cause of action provided that all of*
33 *the following requirements are met:*

34 (a) *The commissioner or his or her designated deputy*
35 *commissioner is present at the meeting or meetings.*

36 (b) *The commissioner or his or her designated deputy*
37 *commissioner advises meeting participants, at the beginning of*

1 *any meeting convened pursuant to this section, of guidelines to*
2 *ensure compliance with federal and state antitrust laws.*
3 *(c) There is no fraud or malice on the part of the representatives*
4 *of the insurance companies or the commissioner or his or her*
5 *designated deputy commissioner.*

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8 **CORRECTIONS:**

9 **Digest—Vote Key—Page 1.**

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